

RUC Advisory Committee

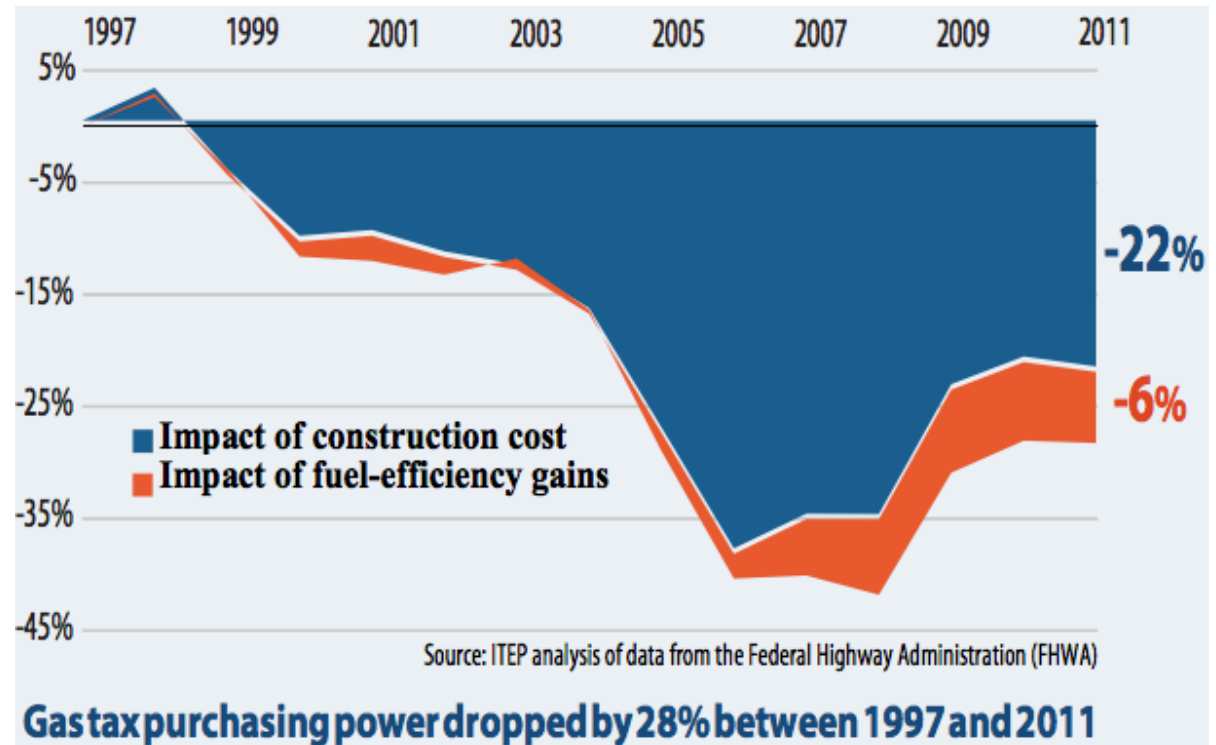
August 13, 2018



FUNDING CHALLENGES & SOLUTIONS

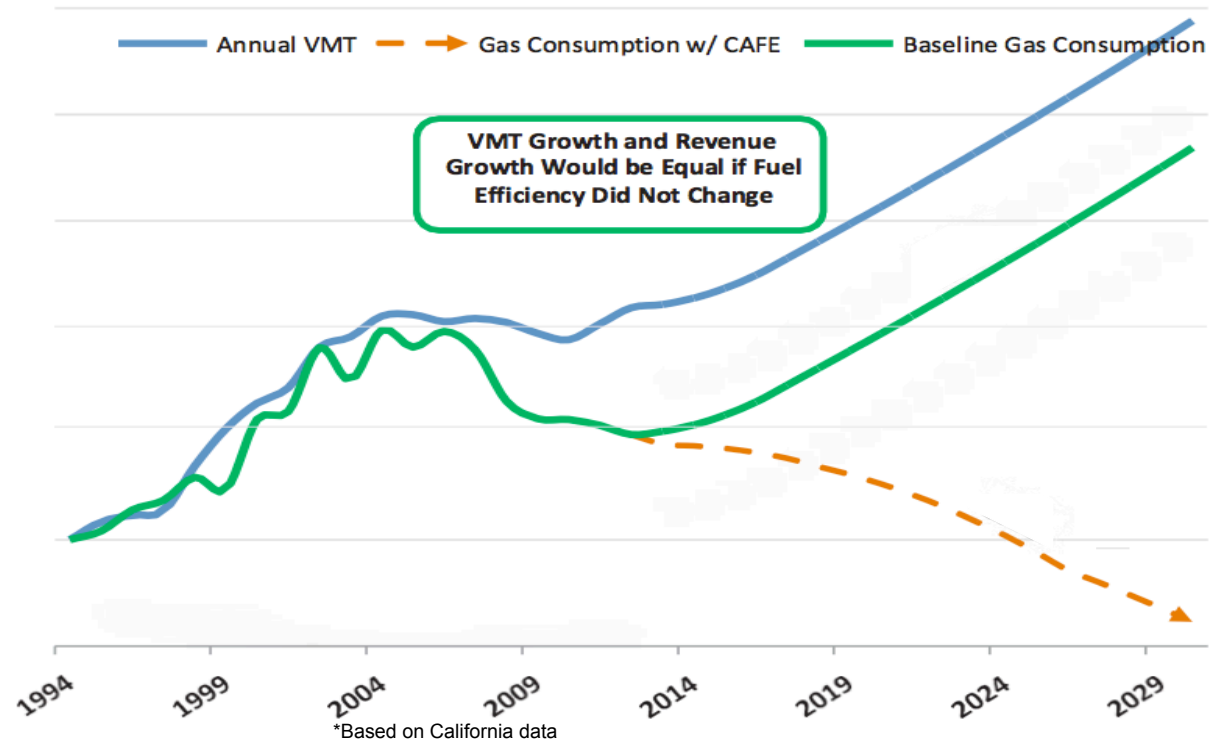
- Nationally gas tax is not keeping up with:

- Construction costs
- Inflation
- Alternative fuels



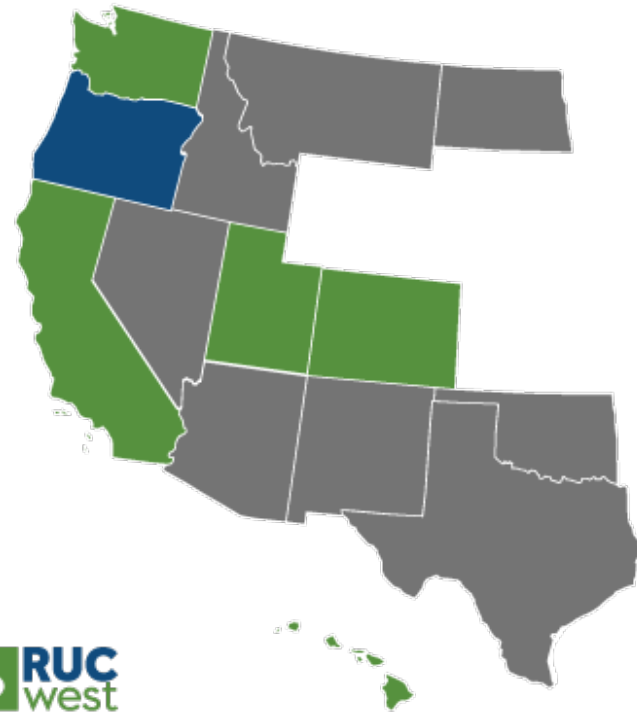
FUNDING CHALLENGES & SOLUTIONS

- More fuel efficient vehicles continue to slow revenue growth
- Alternative fuel vehicles may affect revenue even more

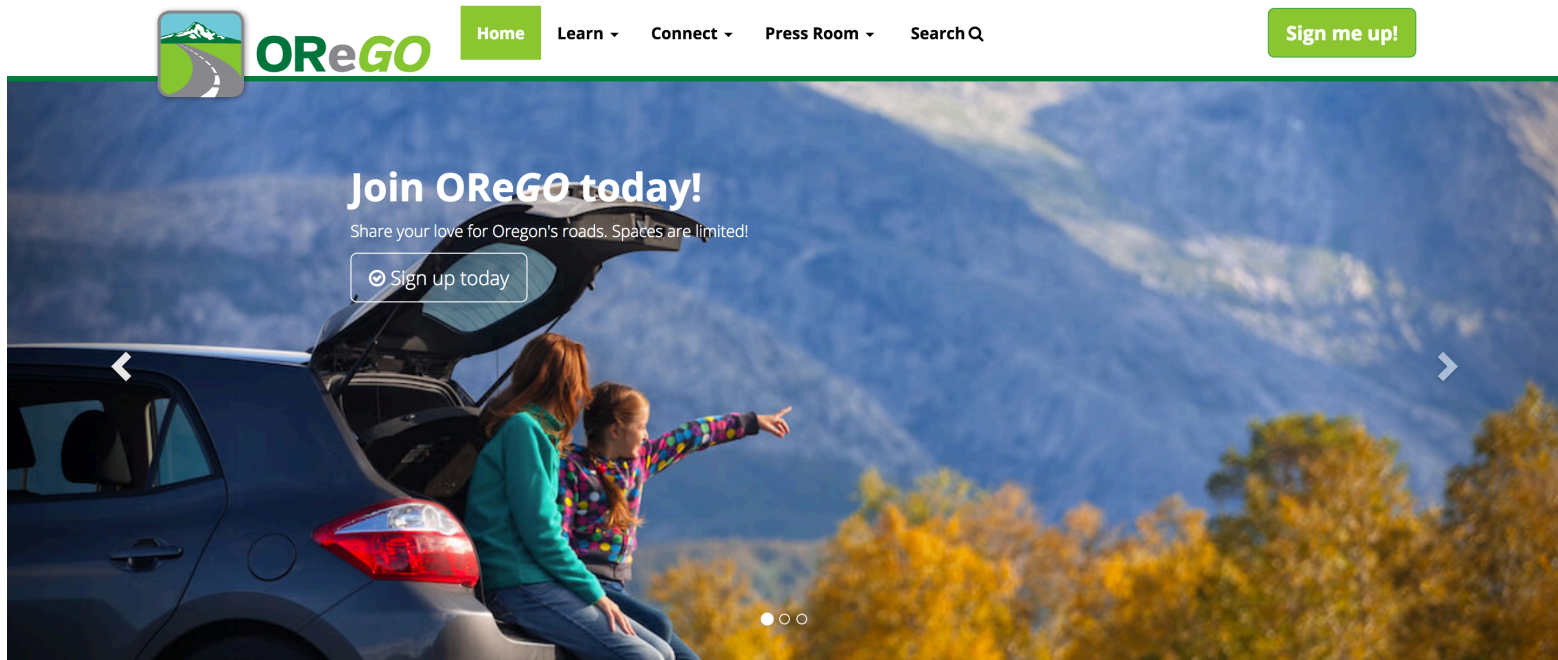


FUNDING CHALLENGES & SOLUTIONS

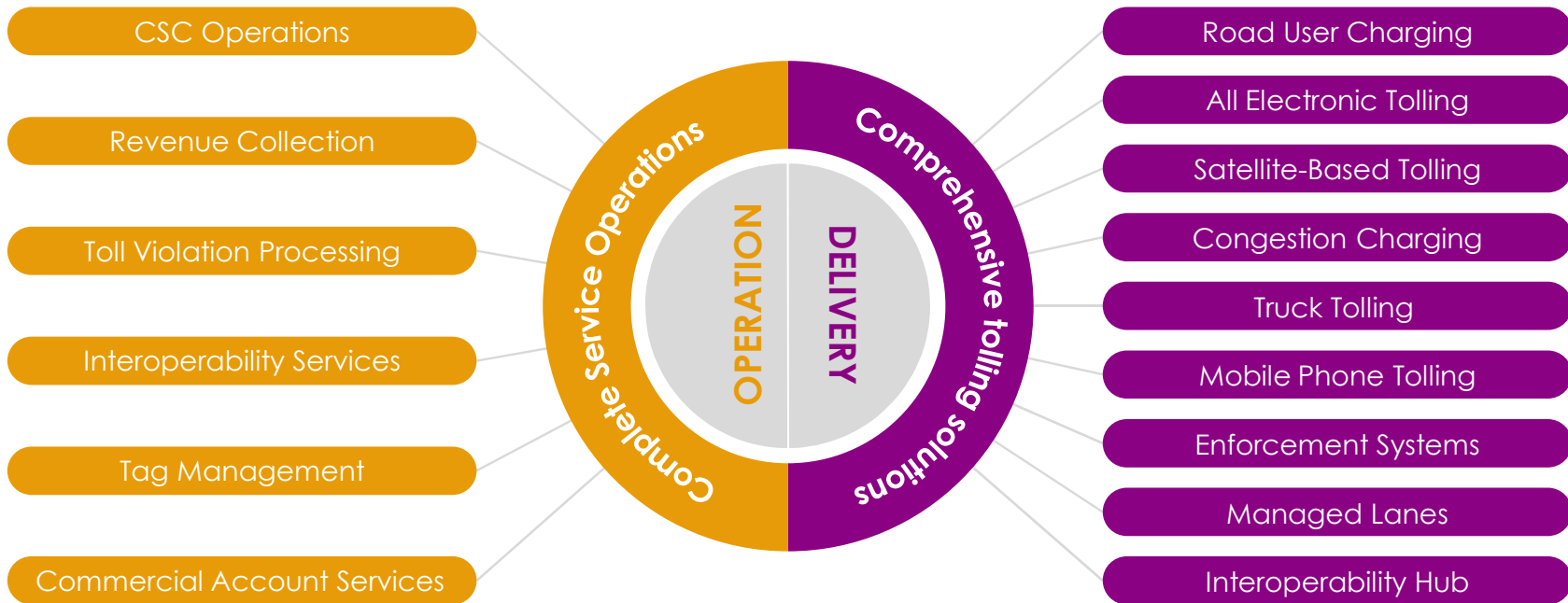
- RUC West Consortium
- 14 western states
 - 3 tier groups:
 - Implementing (OR)
(Utah in 2020)
 - Piloting (CA, CO, HI, UT, WA)
 - Research only (all others)



RECENT AGENCY ACTIVITIES

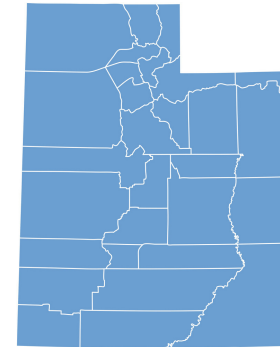


RECENT AGENCY ACTIVITIES



UTAH'S RUC APPROACH (SB136)

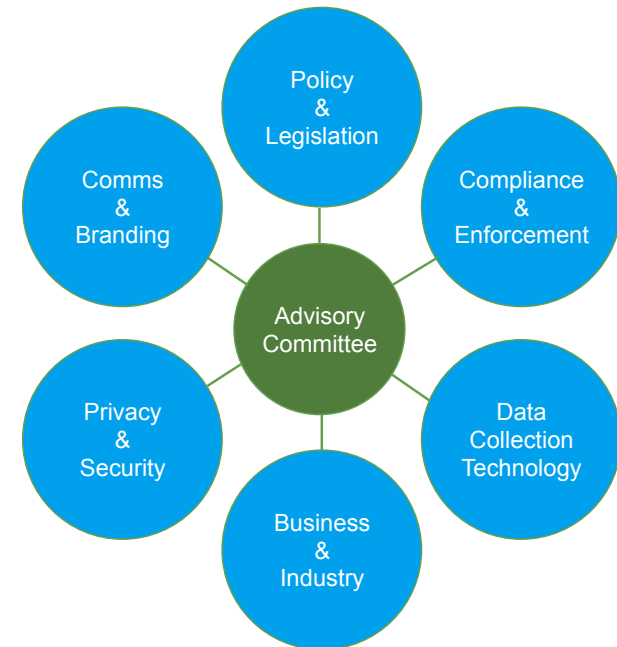
- Flat fees for alternative fuel vehicles
- RUC enrollment option in lieu of flat fee
- Implementation date: January 2020
- Advisory Committee
- Annual report to legislative committee



| Year | Vehicle Type | | |
|------|--------------|-------|------------|
| | Electric | PHEV | Gas Hybrid |
| 2019 | \$ 60 | \$ 26 | \$ 10 |
| 2020 | \$ 90 | \$ 39 | \$ 15 |
| 2021 | \$ 120 | \$ 52 | \$ 20 |

TECHNICAL GROUPS

- UDOT has been distributing educational material to groups
- Technical groups have been discussing topics related to their subject areas
- Recommendations arising from these discussions will be presented today
- Discussion/recommendation process will repeat over the next 3 months



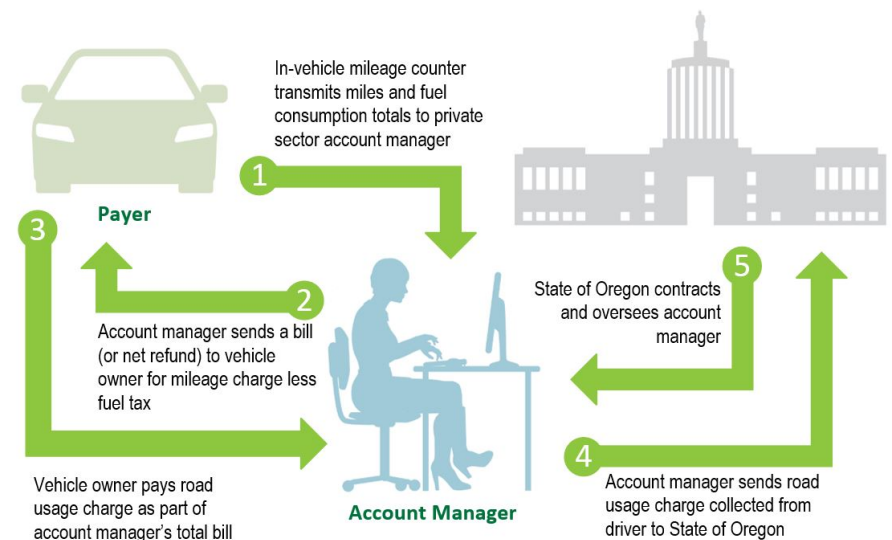
RECOMMENDATION #1

- Technical group:
 - Policy, Legislation, & Governance
- ***Recommendation – consider Jan 1, 2020 implementation date to be when notices are first sent (through DMV registration process) to alt-fuel vehicle owners giving them an option to enroll in RUC in lieu of flat fee***

| January 2020 | | | | | | |
|--------------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | 1 | 2 | 3 | 4 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 | |

RECOMMENDATION #2

- Technical groups:
 - Policy, Legislation, & Governance
 - Privacy & Security
 - Data Collection Technology
- ***Recommendation – contract with 3rd-party vendors to collect data, report mileage (but not location data), and remit tax payments***

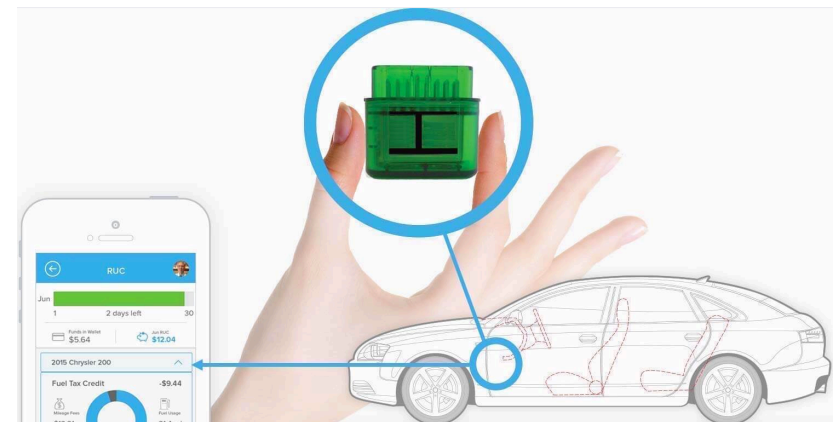


RECOMMENDATION #3

- Technical groups:
 - Policy, Legislation, & Governance
 - Privacy & Security
 - Data Collection Technology
- **Recommendation – offer vehicle owners two choices: (1) pay flat fee or (2) enroll with a vendor in a location-based RUC option**

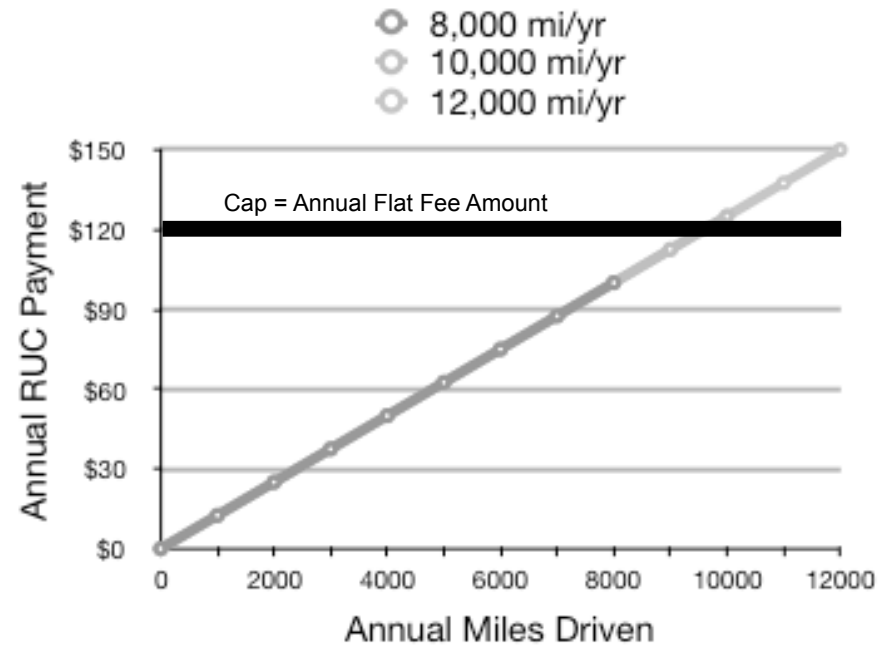
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or...



RECOMMENDATION #4

- Technical groups:
 - Policy, Legislation, & Governance
 - Privacy & Security
 - Data Collection Technology
- ***Recommendation – cap annual RUC payments at the applicable flat fee amount***



*scenario based on EV flat fee and 1.25 cents/mi RUC rate

NEXT STEPS

- Updated Road Map
- Topics to be addressed in coming months
- Communications

UPDATED ROAD MAP



BIG PICTURE TIMELINE

- Nov 2018 – draft alternative fuel vehicle RUC framework
- Dec 2018 – final alternative fuel vehicle RUC framework
- Jan-Mar 2019 – legislative process
- Jan-Jul 2019 – vendor procurement process
- Apr-Sep 2019 – develop system protocols
- Oct-Dec 2019 – beta test RUC system
- Jan 2020 – begin operating alternative fuel vehicle RUC system



GROUP TOPICS FOR COMING MONTHS

- RUC rate setting guidelines
- System enforcement guidelines
- Customer enrollment touch points
- Privacy protection principles
- Data security principles
- Items to include in legislation and/or admin rules
- Communication planning



COMMUNICATION PHASING

[illegible]

TRANSPORTATION FUNDING STORY

- Current dependence on gas tax for transportation funding is unsustainable
- Many US states are examining several alternatives to replace the gas tax
- RUC is one option that is being explored
- Utah's RUC system will start as an optional program for alternative fuel vehicle owners



CONVERSATION STARTERS

- Do you know how much gas tax you pay each year?
- Do you know what the gas tax is used for?
- How would you feel about paying for every mile you drive rather than paying for each gallon of gas?



INFORMATIONAL ITEMS

- Upcoming Advisory Committee meetings
 - Mid/late November 2018
 - Late March 2019
- Technical group meetings
 - Monthly in September & October 2018
 - Undetermined beyond that point

| 2018 SEPTEMBER | | | | | | |
|----------------|-----|-----|-----|-----|-----|-----------|
| SUN | MON | TUE | WED | THU | FRI | SAT |
| | | | | | | <u>1</u> |
| 2 | 3 | 4 | 5 | 6 | 7 | <u>8</u> |
| 9 | 10 | 11 | 12 | 13 | 14 | <u>15</u> |
| 16 | 17 | 18 | 19 | 20 | 21 | <u>22</u> |
| 23 | 24 | 25 | 26 | 27 | 28 | <u>29</u> |
| 30 | | | | | | |